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APPENDIX II

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APPENDIX II

Cost Estimates

1. (S) Three types of cost estimates were developed for the air actions in Southeast Asia. These are the cost of aircraft lost, the sortie costs, and the cost of expended munitions. No estimates were included for the cost of battle-damaged aircraft, lost air crew, or transportation costs from CONUS to Southeast Asia. The estimates used are:

a. Cost of Lost Aircraft. Aircraft lost to combat or mechanical malfunction are priced at the average cost of one production aircraft. In cases where two or more services fly the same type aircraft and the cost per aircraft differed, an average was used. This average was also adjusted according to the number of that type aircraft deployed to Southeast Asia by each service. TAB B to this appendix shows the average cost per aircraft used in this report.

b. Cost of Expended Munitions. The typical cost of munitions was obtained from USAF/USN weapons dictionaries. These cost data are typical and do not represent the actual cost of a certain weapon dropped by a particular aircraft. The reason for this is that air-delivered weapons may be fitted with a wide variety of fuses that range in cost from a few dollars to several hundred. TAB A to this appendix lists the various type munitions and their cost.

c. Sortie Cost. An average sortie cost was derived by estimating the normal cost of operating a particular type aircraft and by adding to that cost the expense of flying at an increased rate in Southeast Asia. This combined cost was reduced to a cost per flying hour from which an estimated cost per sortie was developed based on an average number of flying hours per sortie. In cases where a basic combat aircraft was temporarily used as a tanker, that sortie was assigned the same sortie

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cost as a combat sortie. TAB B to this appendix lists the cost estimates of aircraft operating in Southeast Asia.

2. (TS) The methodology used to develop cost estimates used in this report is detailed in the methodology section of the final report. However, the cost data used is common to all of the air programs being conducted in Southeast Asia. It is considered valid for use in a limited comparative analysis of these programs. These estimates should not be used for other purposes. The Secretary of Defense in his memorandum to the President on 2 November 1965 (JCS 1800/949-6) pointed out that costs of air operations and aircraft lost in Southeast Asia are a major uncertainty. Among the uncertainties that directly influence the estimates in TABS A and B are the incomplete information and inconsistencies in reports received from Southeast Asia. Additionally, different missions are assigned to the same type aircraft by the USAF, USN, and USMC, and replacement policy for downed aircraft is unclear. These uncertainties tend to limit the application of any cost estimates that can be developed at this time.

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